

This record is a partial extract of the original cable. The full text of the original cable is not available.

250618Z Nov 05

C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 006639

SIPDIS

E.O. 12958: DECL: 11/25/2015

TAGS: [PREL](#) [PGOV](#) [KWBG](#) [IS](#) [GOI](#) [INTERNAL](#)

SUBJECT: AMBASSADOR JONES'S COURTESY CALL ON INTERIOR  
MINISTER OFIR PINES-PAZ

Classified By: Ambassador Richard H. Jones for reasons 1.4 (b) and (d)

1. (C) Summary: In their introductory meeting on the day of the Labor leadership election, Interior Minister Ofir Pines-Paz told the Ambassador that regardless of who wins, it was not a foregone conclusion that Labor would stay in the coalition because it has two major disagreements with Likud. Pines-Paz said that Labor wants a "strategic change" in budget priorities away from defense spending toward social welfare programs, to which, he said, Finance Minister Ehud Olmert does not seem to have agreed. He also commented that Labor wants the GOI to come up with a concrete plan to remove illegal outposts rather than simply make declarations on this issue without carrying them through. Pines-Paz revealed that after a flurry of initial activity, Justice Minister Tzipi Livni's inter-ministerial committee formed in response to the Sasson report had not met for several months. The members have been waiting for Livni's position paper on the report before approving any final recommendations. (Note: Ha'aretz reported on November 23 that the Justice Ministry has rejected four out of the Sasson report's eight proposed amendments to prevent more outposts from being established. End note.) End summary.

-----  
Labor's Disagreements with Likud  
-----

2. (C) Interior Minister Ofir Pines-Paz on November 9 (the day the Labor leadership election was held) told Ambassador Jones that regardless of who won the election, it was not a foregone conclusion that Labor would stay in the coalition because Labor has two major disagreements with Likud: the budget and outposts. He explained there has not been a lot of "noise" about these disagreements because Peres and Prime Minister Ariel Sharon have handled things "amongst themselves," but noted that these issues will have to be dealt with now that Gaza disengagement has been implemented.

-----  
More Social Spending in Budget Priorities  
-----

3. (C) With respect to the budget, Pines-Paz emphasized that Labor is looking for a major shift in the budget's priorities. He commented that Labor officials want more spending on social programs, and opined that while Finance Minister Ehud Olmert seems willing to provide more funds in this category, he has only agreed to some minor readjustments and not to the "strategic changes" Labor wants. Pines-Paz told Ambassador Jones that the GOI could cut the Ministry of Defense's budget because "there must be savings from the disengagement plan," and because terror attacks decreased in 2005 so there is "less to fight against."

-----  
GOI Should Remove Outposts  
And Negotiate with Abbas  
-----

4. (C) The Labor party also wants the GOI to prepare a concrete plan to remove illegal outposts, according to Pines-Paz, because, he said, it is not enough to make declarations without carrying them through. He remarked that Israel has an agreement with the USG to remove 20-24 post-March 2001 outposts, and should fulfill it. (Note: USG settlement watchers count 44 post-March 2001 outposts. End note.) He continued that Labor members also want Israel to negotiate with Palestinian Authority (PA) President Mahmud Abbas according to the road map because they believe he is a partner. Pines-Paz cautioned that he does not know if Abbas "can deliver," but opined that Israel should give him some time and conceded to the Ambassador that GOI actions influence Abbas's ability to govern. Pines-Paz stressed that the PA and GOI cannot afford to lose the momentum created by Gaza disengagement because terrorists and extremists on both sides will step in to fill the vacuum.

-----  
Livni's Committee on Sasson Report  
-----

15. (C) In response to the Ambassador's question on Justice Minister Tzipi Livni's inter-ministerial committee on the Sasson report, Pines-Paz -- a member of the committee -- responded that Livni needs to do much more. He reported that the committee had ten meetings when it was first formed, but then stopped because there was no point in repeatedly meeting without a position paper, by Livni, on which to base decisions. He claimed that Livni has not yet prepared any recommendations. (Note: Ha'aretz on November 23 reported that the Justice Ministry has rejected four out of the report's eight proposed amendments to prevent more outposts from being established. End note.)

-----  
Evacuees Leaving Slowly but Surely  
-----

16. (C) Pines-Paz told Ambassador Jones that the reason so many Gaza settler evacuees are still in hotels is because they want to keep their communities together. They have not looked for permanent housing, even though ample compensation from the GOI enabled them to do so. He mentioned, however, that approximately 40-50 families are leaving the hotels each week, and that they should all be gone by the end of December. He said that there were originally 1,200 families in hotels, but that fewer than 400 families now remain. He admitted that it is costing the GOI a lot of money to support the evacuees, which is "problematic," but emphasized that the problem is being solved as the evacuees slowly move out of hotels to more permanent quarters.

\*\*\*\*\*  
Visit Embassy Tel Aviv's Classified Website:  
<http://www.state.sgov.gov/p/nea/telaviv>

You can also access this site through the State Department's  
Classified SIPRNET website.

\*\*\*\*\*  
JONES